



Illuminating Congo's Future: A Collaborative Approach to Energy Access

A World Bank Group Political Risk Insurance Guarantee

HIGHLIGHTS

- MIGA partnered with Nuru SASU through a \$50.3 million guarantee to develop a solar-hybrid mini-grid project in the Democratic Republic of Congo, addressing critical energy access challenges.
- The project aims to provide electricity to over 28,000 households and businesses, with plans to reach up to 5 million people by 2025.
- This initiative, once completed, will be the largest mini-grid project in Africa, aligning with the World Bank Group's goal of providing access to electricity for 300 million Africans by 2030.
- MIGA's involvement mitigated political risks and catalyzed investment in this challenging economic environment, where only 19% of the population has access to electricity.

THE CHALLENGE

The Democratic Republic of Congo (DRC) faces a critical energy crisis that severely impacts its economic potential. With only 19% of its population having access to electricity, approximately 72 million people remain unconnected to power — one of the lowest electrification rates globally.

Picture a thriving market in a bustling city like Goma in the North Kivu province, where entrepreneurs are eager to grow their businesses but face a common obstacle: unreliable electricity and frequent power outages that limit their potential. This scenario is very common in the DRC, where access to electricity remains a critical barrier to economic growth.

The challenge is further compounded by several factors. The state-owned utility, Société Nationale d'Electricité (SNEL), lacked the financial resources for nationwide grid expansion, and traditional grid infrastructure struggled to serve the DRC's dispersed population,

particularly in rural areas. These challenges hindered economic development and stifled the quality of life for millions of people creating an urgent need for alternative solutions.

FINANCIAL SOLUTION

The Nuru Metro Grid project represents a breakthrough approach to energy access bringing together private sector investors, multilateral risk mitigation and investment from the World Bank Group and other development partners, and local market expertise from Nuru SASU. It targeted provinces with low grid electrification but high economic activity and market potential, aiming to transform energy access in these underserved regions.

In November 2023, the World Bank Group, through MIGA, issued a \$50.3 million guarantee to CES AC1 Limited (CESL), a subsidiary of Congo Energy Solutions Limited, for the Nuru Metro Grid project. The guarantee catalyzed private investment in the DRC's challenging environment by supporting CESL's investment in Nuru SASU, a DRC-based solar company for the development of solar mini-grids, scaled up to include distribution centers around the city, or “metro-grids.”

The project's initial phase will establish up to 15MW of metro-grid capacity, with a planned expansion to 39MW across additional provinces. This scalability ensures the solution can grow to meet increasing energy demands while maintaining investor confidence.

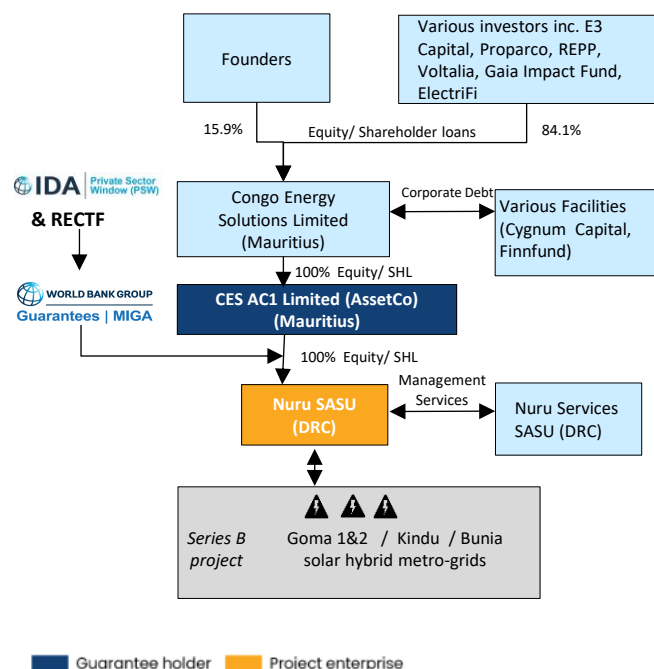


The Climate Impact. By supporting solar-hybrid metro-grids, this project aligns with the Paris Agreement's low-carbon and climate-resilient goals, offering a sustainable alternative to fossil fuel-based energy sources.

MIGA's guarantee structure for the project provided via

- Up to 15 years of political risk insurance covering expropriation, currency inconvertibility & transfer restriction, and war & civil disturbance.
- Unique partial expropriation coverage that protects individual metro-grids as separate sub-projects.
- Strategic risk-sharing through the Renewable Energy Catalyst Trust Fund and IDA Private Sector Window.

Summary of Contractual Structure



The MIGA guarantee, complemented by IFC's \$10 million mezzanine equity investment and advisory services, created a strong foundation for private investment. The project's risk mitigation structure, enhanced by IDA's Private Sector Window and MIGA's Renewable Energy Catalyst Trust Fund (supported by Norway and Japan), gave investors and lenders the confidence to participate in this transformative project.



"MIGA's guarantee coverage was a critical component for unlocking our investment capital. The catalytic cover MIGA is providing will enable tens of thousands of people living in eastern Congo to experience reliable, affordable, renewable energy to help build their lives and livelihoods." **Jonathan Shaw, CEO of Nuru.**

The alignment between MIGA and Nuru SASU is evident in their shared commitment to energy access.

Nuru's vision to provide reliable, sustainable energy to millions of Congolese, unlocking economic potential and improving lives, directly aligns with the World Bank Group's Mission 300 initiative to provide electricity access to 300 million people in Sub-Saharan Africa by 2030.

This synergy creates a powerful partnership poised to transform energy access in the DRC.

IMPLEMENTATION AND IMPACT

Once completed, the project is expected to yield significant positive outcomes for DRC's economy and its key sectors, including:

- **Increased Electricity Access:** Electricity access to 28,000 homes and businesses with the potential to reach 5 million people by 2025.
- **Economic Stimulus:** Reliable power to enable business growth and attract new investments.
- **Environmental Benefits:** Significant reduction in greenhouse gas emissions compared to diesel alternatives.
- **Job Creation:** Both direct employment in grid construction and maintenance and indirect job creation through improved business conditions.

The success of this initial phase, combined with plans to deploy an additional 39MW of mini and metro-grids across other DRC provinces, demonstrates how innovative financing can accelerate progress toward this goal.

LOOKING AHEAD

The project's scalable model offers a blueprint for expanding energy access across Africa. By effectively addressing political risks through guarantees, MIGA has created a replicable framework that can unlock private investment in other challenging markets facing similar electricity access barriers.

Through this MIGA is illuminating a path to sustainable development for millions of Congolese. The project proves that well-structured risk mitigation can catalyze transformative investments in even the most challenging environments, bringing the World Bank Group closer to its Mission 300 target.